

## Article - Estates and Trusts

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§15-511.

A trustee shall allocate to principal:

(1) To the extent not allocated to income under this subtitle, assets received from a transferor during the transferor's lifetime, a decedent's estate, a trust with a terminating income interest, or a payer under a contract naming the trust or its trustee as beneficiary;

(2) Money or other property received from the sale, exchange, liquidation, or change in form of a principal asset, including realized profit, subject to this subtitle;

(3) Amounts recovered from third parties to reimburse the trust because of disbursements described in § 15-524(a)(9) of this subtitle or for other reasons to the extent not based on the loss of income;

(4) Proceeds of property taken by eminent domain, but a separate award made for the loss of income with respect to an accounting period during which a current income beneficiary had a mandatory income interest is income;

(5) Net income received in an accounting period during which there is no beneficiary to whom a trustee may or must distribute income; and

(6) Other receipts as provided in Part III of this subtitle.

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